

104TH CONGRESS
2D SESSION

H. R. 3012

To amend title 10, United States Code, to permit covered beneficiaries under the military health care system who are also entitled to medicare to enroll in the Federal Employees Health Benefits program.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1996

Mr. MORAN (for himself, Mr. SAXTON, Mr. DAVIS, Mr. FROST, Mr. PASTOR, Mr. DEUTSCH, Mr. FARR of California, Mr. COLEMAN, Mr. HASTINGS of Florida, Ms. NORTON, Mr. FILNER, Mr. BILBRAY, Mr. GENE GREEN of Texas, Ms. LOFGREN, and Mr. NORWOOD) introduced the following bill; which was referred to the Committee on National Security, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 10, United States Code, to permit covered beneficiaries under the military health care system who are also entitled to medicare to enroll in the Federal Employees Health Benefits program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. INCLUSION OF MEDICARE ELIGIBLE COVERED**
2 **BENEFICIARIES IN FEDERAL EMPLOYEES**
3 **HEALTH BENEFITS PROGRAM.**

4 (a) FEHBP OPTION.—(1) Chapter 55 of title 10,
5 United States Code, is amended by inserting after section
6 1079 the following new section:

7 **“§ 1079a. Health care coverage through Federal Em-**
8 **ployees Health Benefits program**

9 “(a) FEHBP OPTION.—The Secretary of Defense,
10 after consulting with the other administering Secretaries,
11 shall enter into an agreement with the Office of Personnel
12 Management under which covered beneficiaries described
13 in subsection (b) will be offered an opportunity to enroll
14 in a health benefits plan offered through the Federal Em-
15 ployee Health Benefits program under chapter 89 of title
16 5, in lieu of receiving care under this chapter in treatment
17 facilities of the uniformed services or through the Civilian
18 Health and Medical Program of the Uniformed Services
19 or the TRICARE program. The agreement may provide
20 for limitations on enrollment of covered beneficiaries in
21 the Federal Employee Health Benefits program if the Of-
22 fice of Personnel Management determines the limitations
23 are necessary to allow for adequate planning for access
24 for services under Federal Employee Health Benefits pro-
25 gram.

1 “(b) ELIGIBLE COVERED BENEFICIARIES.—A cov-
2 ered beneficiary referred to in subsection (a) is a member
3 or former member of the uniformed services described in
4 section 1074(b) of this title, and any dependents of the
5 member described in section 1076(b) of this title, who is
6 or becomes entitled to hospital insurance benefits under
7 part A of title XVIII of the Social Security Act (42 U.S.C.
8 1395c et seq.). The covered beneficiary shall not be re-
9 quired to satisfy any eligibility criteria specified in chapter
10 89 of title 5 as a condition for enrollment in a health bene-
11 fits plan offered through the Federal Employee Health
12 Benefits program pursuant to subsection (a).

13 “(c) CONTRIBUTIONS.—(1) In the case of covered
14 beneficiaries described in subsection (b) who enroll in a
15 health benefits plan offered through the Federal Employee
16 Health Benefits program pursuant to subsection (a), the
17 administering Secretary concerned shall be responsible for
18 Government contributions that the Office of Personnel
19 Management determines are necessary to cover all costs
20 in excess of beneficiary contributions under paragraph (2).

21 “(2) The contribution required from an enrolled cov-
22 ered beneficiary shall be equal to the amount that would
23 be withheld from the pay of a similarly situated Federal
24 employee who enrolls in a health benefits plan under chap-
25 ter 89 of title 5.

1 “(d) MANAGEMENT OF PARTICIPATION.—The au-
2 thority responsible for approving retired or retainer pay
3 or equivalent pay in the case of a member or former mem-
4 ber shall manage the participation of the member or
5 former member, and dependents of the member or former
6 member, who enroll in a health benefits plan offered
7 through the Federal Employee Health Benefits program
8 pursuant to subsection (a). The Office of Personnel Man-
9 agement shall maintain separate risk pools for enrolled
10 covered beneficiaries until such time as the Director of the
11 Office of Personnel Management determines that complete
12 inclusion of enrolled covered beneficiaries under chapter
13 89 of title 5 will not adversely affect Federal employees
14 and annuitants enrolled in health benefits plans under
15 such chapter.

16 “(e) EFFECT OF CANCELLATION.—The cancellation
17 by a covered beneficiary of coverage under the Federal
18 Employee Health Benefits program shall be irrevocable for
19 purposes of this section.

20 “(f) REPORTING REQUIREMENTS.—Not later than
21 November 1 of each year, the Secretary of Defense and
22 the Director of the Office of Personnel Management shall
23 jointly submit a report to Congress describing the provi-
24 sion of health care services to covered beneficiaries under

1 this section during the preceding fiscal year. The report
2 shall address or contain the following:

3 “(1) The number of covered beneficiaries en-
4 rolled in health benefits plans offered through the
5 Federal Employee Health Benefits program pursu-
6 ant to subsection (a), both in terms of total number
7 and as a percentage of all covered beneficiaries re-
8 ceiving health care through the health care system
9 of the uniformed services.

10 “(2) The out-of-pocket cost to enrollees under
11 such health benefits plans.

12 “(3) The cost to the Government (including the
13 Department of Defense, the Department of Trans-
14 portation, and the Department of Health and
15 Human Services) of providing care under such
16 health benefits plans.

17 “(4) A comparison of the costs determined
18 under paragraphs (2) and (3) and the costs that
19 would have otherwise been incurred by the Govern-
20 ment and enrollees under alternative health care op-
21 tions available to the administering Secretaries.

22 “(5) The effect of this section on the cost, ac-
23 cess, and utilization rates of other health care op-
24 tions under the health care system of the uniformed
25 services.

1 “(g) TIME FOR OPTION.—The Secretary of Defense
2 shall begin to offer the health benefits option under sub-
3 section (a) not later than January 1, 1997.”.

4 (2) The table of sections at the beginning of such
5 chapter is amended by inserting after the item relating
6 to section 1079 the following new item:

“1079a. Health care coverage through Federal Employees Health Benefits pro-
gram.”.

7 (b) CONFORMING AMENDMENTS.—Chapter 89 of
8 title 5, United States Code, is amended—

9 (1) in section 8905—

10 (A) by redesignating subsections (d)
11 through (f) as subsections (e) through (g), re-
12 spectively; and

13 (B) by inserting after subsection (c) the
14 following new subsection:

15 “(d) An individual whom the Secretary of Defense de-
16 termines is an eligible covered beneficiary under section
17 1079a(b) of title 10 may enroll in a health benefits plan
18 under this chapter in accordance with the agreement
19 under section 1079a(a) of title 10 between the Secretary
20 and the Office and applicable regulations under this chap-
21 ter.”;

22 (2) in section 8906(b)—

1 (A) in paragraph (1), by striking “para-
2 graphs (2) and (3)” and inserting in lieu there-
3 of “paragraphs (2), (3), and (4)”; and

4 (B) by adding at the end the following new
5 paragraph:

6 “(4) In the case of individuals who enroll in a health
7 plan in accordance with section 8905(d) of this title, the
8 Government contribution shall be determined under sec-
9 tion 1079a(c) of title 10.”; and

10 (3) in section 8906(g)—

11 (A) in paragraph (1), by striking “para-
12 graph (2)” and inserting in lieu thereof “para-
13 graphs (2) and (3)”; and

14 (B) by adding at the end the following new
15 paragraph:

16 “(3) The Government contribution described in sub-
17 section (b)(4) for beneficiaries who enroll in accordance
18 with section 8905(d) of this title shall be paid as provided
19 in section 1079a(c) of title 10.”.

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